

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Figueroa Analyst: Kristina E. North Bill Number: SB 493

Related Bills: See previous analyses Telephone: 845-6978 Amended Date: June 30, 1999

Attorney: Patrick Kusiak Sponsor:

SUBJECT: Birth Defects Research Fund

- ☒ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended May 13, 1999.
- ☐ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- ☐ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- ☐ FURTHER AMENDMENTS NECESSARY.
- ☐ DEPARTMENT POSITION CHANGED TO _____.
- ☒ REMAINDER OF PREVIOUS ANALYSES OF BILL AS INTRODUCED FEBRUARY 18, 1999, AND AMENDED MAY 13, 1999, STILL APPLY.
- ☒ OTHER - See comments below.

SUMMARY OF BILL

Under the Administration of Franchise and Income Tax Law, this bill would allow taxpayers to make a voluntary contribution on their personal income tax returns to the Birth Defects Research Fund, which would be placed on the tax return when another voluntary contribution fund is removed or for taxable years beginning on or after January 1, 2002, whichever occurs first.

SUMMARY OF AMENDMENT

The June 30, 1999, amendment:

- ◆ clarified that the fund must meet a \$250,000 minimum contribution in the first taxable year and that the minimum contribution amount shall be adjusted for inflation beginning the second calendar year that the fund appears on the tax return;
- ◆ replaced the term "checkoff" with "contribution"; and
- ◆ removed "California" from the title of the fund.

The first two amendments described above resolved the technical considerations in the department's analysis of the bill as amended May 13, 1999. Except for these changes, the remainder of the department's analyses of the bill as introduced February 18, and amended May 13, 1999, still apply. The department's implementation consideration and board position are restated below for convenience.

Board Position:

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<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input checked="" type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Department/Legislative Director Date

Johnnie Lou Rosas 7/16/1999

IMPLEMENTATION CONSIDERATION

This bill does not provide an "ordering rule" to determine placement on the return should other voluntary contribution funds be enacted with the same requirement that another be removed before it is added. Without an ordering rule, in those cases the department would place new contributions on the return based on the chaptering order of the bills creating the funds. It might be appropriate for the author to include this or another ordering rule in the bill.

BOARD POSITION

Neutral.

At its meeting of March 23, 1999, the Franchise Tax Board voted 2-0 to take a neutral position on this bill as introduced February 18, 1999.